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July 8, 1997

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Via Hand Delivery

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: MM Docket Nos. 91-221, 87-8, 94-150, 92-51 and 87-154

Dear Mr. Caton:

Sullivan Broadcasting Company, Inc. ("Sullivan"), the parent company of the licensee of television broadcast stations WZTV (ch. 17), Nashville, Tennessee and WXLV-TV (ch. 45), Winston-Salem, North Carolina, by its attorneys, submits the following information in response to the Commission's public notice "*Commission Seeks Further Information Regarding Television LMAs*," DA 97-1246 (released June 17, 1997).

Sullivan is currently a party to two local marketing agreements ("LMAs") with Mission Broadcasting I, Inc. ("Mission I") and Mission Broadcasting II, Inc. ("Mission II"), the licensees of television broadcast stations WUXP (ch. 30), Nashville, Tennessee and WUPN-TV (ch. 48), Greensboro, North Carolina, respectively. Pursuant to these LMAs, Sullivan supplies the majority of programming for WUXP and WUPN-TV.

Attached hereto are summaries of the terms of the LMA agreements between Sullivan and Mission I and Mission II, organized according to Designated Market Area ("DMA").

With regard to the public interest benefits of the Sullivan/Mission I and Sullivan/Mission II LMAs, Sullivan echoes the statements of the Mission companies in their letter filed on this same day in the above-referenced dockets. Many of the improvements of the Mission stations detailed by the Mission companies were made possible by Sullivan's role as programmer of the stations.

Sullivan has made a substantial economic investment in programming the Mission stations, which has resulted in enhanced service to the public. In making its investments, Sullivan anticipated it would program the Mission stations for the full and complete terms of the LMAs including renewal options. Relying upon its ability to fully benefit and enjoy its contractual rights over the

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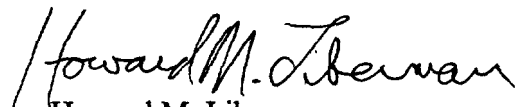
complete term of a lawful agreement, Sullivan entered into significant programming agreements totaling several hundred thousand dollars, hired additional staff and made facilities upgrades. Cutting short Sullivan's rights under the LMAs is unduly harsh since those LMAs were entered into based upon existing Commission policies and rules upon which the parties relied.

Before Sullivan began programming the Mission stations, both were failing economically and in serving the public as a source for quality, alternative programming. As detailed in the letter of the Mission companies filed in this proceeding, WUXP, Nashville, Tennessee, was unable to cover its operating expenses, was in default on its senior loan and was broadcasting from aged and unreliable facilities. WUPN-TV merely rebroadcast the signal of Sullivan's Winston-Salem station, WXLV-TV, and the station's owner at the time has been in bankruptcy for several years. Today, as a result of the Sullivan LMAs, both stations are thriving, have access to improved equipment and facilities and provide alternative sources of programming to the public that the Mission companies did not have the financial resources to obtain on its own.

As a result of the LMAs between Sullivan and the Mission companies, WUPN-TV and WUXP are competitive stations. Sullivan submits that its LMAs with the Mission companies are just two of many concrete examples of the benefits of LMAs that were highlighted in comments and other filings made in the above-referenced dockets. Many of the benefits delivered to the public would not be enjoyed without the financial investments made possible by companies such as Sullivan in their LMA activities. With this record established, Sullivan urges the Commission to allow the continuation of all LMAs in existence on November 5, 1996 for their full and complete terms.

If the Commission, in the alternative, determines that LMAs will be allowed to continue only for a brief wind-down period, but creates an exception for LMAs involving "distressed stations," Sullivan requests that the Commission establish that the Sullivan/Mission I and Sullivan/Mission II LMAs qualify for such an exception and that Sullivan not be penalized for taking steps to revive WUPN-TV and WUXP under their current LMAs.

Respectfully submitted,



Howard M. Liberman

Naomi S. Travers

Enclosures

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LMA REPLY FORM

MARKET: NASHVILLE, TN

DMA #: 33

	<u>Channel No. & Call Sign</u>	<u>Network Affiliation</u>	<u>Licensed Community</u>	<u>Owner/ Licensee</u>	<u>Degree of Overlap(%)</u>			<u>Nielsen (all day) Audience Share (9 am - midnight)</u>		
					<u>City Grade</u>	<u>Grade A</u>	<u>Grade B</u>	<u>11/96</u>	<u>2/97</u>	<u>5/97</u>
Brokered Station:	Channel 30 WUXP-TV	UPN	Nashville, TN	Mission Broadcasting I, Inc.	95%	95%	95%	3	3	4
Brokering Station:	Channel 17 WZTV	Fox	Nashville, TN	Sullivan Broadcasting Co., Inc.	95%	95%	95%	8	7	6

	<u>Date of LMA Signing</u>	<u>Length of Initial Term</u>	<u>Initial Term Start Date</u>	<u>Initial Term End Date</u>	<u>Renewal Provisions/Terms</u> Describe renewal provisions including: (1) length of renewal, (2) at which party's option, (3) whether renewal is automatic, and (4) how renewal option may be exercised.	<u>% of Time Brokered per week</u>
LMA Specifics:	2/22/96*	5 years	2/22/96*	7/11/01	(1) Two successive renewal terms; each renewal term is for 5 yrs; (2) Renewal options are exercisable by Broker; (3) Renewal terms are not automatic; and (4) Renewal options must be exercised by Broker no later than six months prior to expiration of current term.	99%**

*The original parties to the LMA were Sullivan Broadcasting Co., Inc. ("Sullivan") and Central Tennessee Broadcasting Corporation ("CTBC"), the prior licensee of WUXP (then WXMT). The LMA between Sullivan and CTBC was executed on February 22, 1996 for an initial term through June 30, 1999 with an option for a renewal term to continue through December 31, 1999. CTBC assigned its rights and obligations under the LMA to Mission Broadcasting I, Inc. ("Mission I") when Mission I acquired WUXP. The LMA was amended to reflect the term and renewal options noted in the chart above when it was assigned on July 11, 1996.

**This is the percentage of time currently brokered per week. Under the Sullivan/Mission I LMA, Mission I has the right to program WUXP for up to four hours a week (which would reduce the percentage of time brokered per week to 97.6).

LMA REPLY FORM

MARKET: GREENSBORO-HIGH POINT & WINSTON-SALEM, NC

DMA #: 46

	<u>Channel No. & Call Sign</u>	<u>Network Affiliation</u>	<u>Licensed Community</u>	<u>Owner/ Licensee</u>	<u>Degree of Overlap(%)</u>			<u>Nielsen (all day) Audience Share (9 am - midnight)</u>		
					<u>City Grade</u>	<u>Grade A</u>	<u>Grade B</u>	<u>11/96</u>	<u>2/97</u>	<u>5/97</u>
Brokered Station:	Channel 48 WUPN-TV	UPN	Greensboro, NC	Mission Broadcasting II, Inc.	30%	40%	45%	2	2	3
Brokering Station:	Channel 45 WXLV-TV	ABC	Winston-Salem, NC	Sullivan Broadcasting Co., Inc.	30%	40%	45%	8	8	8

	<u>Date of LMA Signing</u>	<u>Length of Initial Term</u>	<u>Initial Term Start Date</u>	<u>Initial Term End Date</u>	<u>Renewal Provisions/Terms</u> Describe renewal provisions including: (1) length of renewal, (2) at which party's option, (3) whether renewal is automatic, and (4) how renewal option may be exercised.	<u>% of Time Brokered per week</u>
LMA Specifics:	6/30/95*	5 years	6/30/95*	7/29/06	(1) Two successive renewal terms; each renewal term is for 5 yrs; (2) Renewal options are exercisable by Broker; (3) Renewal terms are not automatic; and (4) Renewal options must be exercised by Broker no later than six months prior to expiration of current term.	99%**

*The original parties to the LMA were Act III Broadcasting, Inc. ("ACT III"), the predecessor in interest to Sullivan Broadcasting Co., Inc. ("Sullivan"), and Guilford Telecasters, Inc. ("Guilford"), the prior licensee of WUPN (then WGGT). The LMA between Sullivan and Guilford was executed on June 30, 1995 for a term through September 30, 2001 with no renewal option. Guilford assigned its rights and obligations under the LMA to Mission Broadcasting II, Inc. ("Mission II") when Mission II acquired WUPN. The LMA was amended to reflect the term and renewal options noted in the chart above when it was assigned on July 29, 1996.

**This is the percentage of time currently brokered per week. Under the Sullivan/Mission II LMA, Mission II has the right to program WUPN for up to four hours a week (which would reduce the percentage of time brokered per week to 97.6).